NATIONAL ASSOCIATION OF
Manufacturers

Leading Innovation. Creating Opportunity. Pursuing Progress.

Testimony

of Al Lubrano
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Lincoln, Rhode Island
on behalf of the National Association of Manufacturers

before the House Energy and Commerce Committee's
Commerce, Manufacturing and Trade Subcommittee

on Where the Jobs Are: Can American Manufacturing Thrive Again?

April 19, 2012

Comments of the National Association of Manufacturers

Before the

House Energy and Commerce Committee's Subcommittee on Commerce, Manufacturing and Trade

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Chairman Bono Mack, Ranking Member Butterfield and members of the Subcommittee, thank you for the opportunity to testify on behalf of the National Association of Manufacturers (NAM) at the April 19, 2012, House Subcommittee on Commerce, Manufacturing and Trade hearing, "Where the Jobs Are: Can American Manufacturing Thrive Again?"

My name is Al Lubrano, and I am president of Materion Technical Materials (MTM) in Lincoln, Rhode Island. MTM is a subsidiary of Materion Corporation (formerly Brush Engineered Materials, Inc.), which is headquartered in Mayfield Heights, Ohio, with major offices throughout North America, Europe and Asia. Materion serves customers in more than 50 countries.

Founded in 1968 as Technical Materials, Inc., MTM is the world's leading resource for engineered, specialty strip metal solutions, offering a wide range of products, services and expertise in numerous markets, including automotive and consumer electronics, as well as defense, science, energy and medical technology. I have been leading Materion since 1995.

In addition to serving as chairman of the Rhode Island Manufacturers Association, I am a member of the Board of Directors of the NAM and serve as vice chair of the Board's Small and Medium Manufacturers Group. The NAM is the nation's largest industrial trade association, representing small, medium and large manufacturers in every industrial sector and in all 50 states. Manufacturers very much appreciate your interest in and support of the manufacturing economy.

Overview

Manufacturers are proud to be leading our nation's current economic recovery with increased productivity, renewed investment, employment, exporting and innovation. Even after the economic downturn, the United States remains the top manufacturing economy in the world, accounting for 21 percent of global manufacturing wealth.

The manufacturing sector employs nearly 12 million Americans earning 22 percent more in wages and benefits than the rest of the workforce. Since December 2009, manufacturers have been responsible for over 13 percent of the net growth in employment, even though manufacturers account for roughly 9 percent of the total nonfarm workforce. In the past four months alone, manufacturers have added nearly 150,000 net new employees and have been a bright spot for the macro-economy, with most businesses cautiously optimistic about future production and employment in the months ahead.

U.S. manufacturers have the most productive workers in the world, far surpassing the worker productivity of any other major manufacturing economy, leading to higher wages and living standards. In addition, manufacturers perform two-thirds of all private sector R&D in the nation, driving innovation and helping U.S. companies become more competitive globally. Indeed, manufacturing in America is the engine that drives the U.S. economy by creating jobs, opportunity and prosperity.

Nonetheless, the NAM remains concerned about the significant challenges faced by manufacturers in the United States. Despite the critical role the industry plays in the economy, it is 20 percent more expensive to manufacture a product in the United States than it is for our largest trading partners,[1] and that excludes cost of labor. The primary drivers of this cost differential are policies in the areas of taxes, litigation, regulation and energy.

Layered on top of these higher costs is the broad uncertainty faced by American businesses, including “on-again, off-again” tax policy and an unpredictable regulatory environment. Like you, manufacturers also are concerned about the impact of the historically high levels of the federal deficit and the national debt on manufacturing and the overall U.S. economy.

The NAM very much appreciates the bicameral, bipartisan support for manufacturing in Congress, including this Subcommittee’s focus on the state of U.S. manufacturing. The data I cited earlier demonstrate that manufacturing is “where the jobs are.” For manufacturing to thrive again in this country, the current support for our industry needs to be translated into specific policy changes.

A Manufacturing Renaissance

To this end, the NAM last fall unveiled its new plan to grow the economy and create jobs. *A Manufacturing Renaissance: Four Goals for Economic Growth*[2] is a blueprint to increase investment in our economy, boost trade, strengthen the workforce and drive innovation.

When the Manufacturing Institute and Deloitte surveyed the public late last year about their views on manufacturing, 79 percent of Americans said a strong manufacturing base should be a national priority. Yet the public lacks confidence that policymakers are taking the right approach to improving our nation’s competitiveness.

A Manufacturing Renaissance outlines policies and goals that our nation’s leaders can rally around. It focuses on these four goals:

- The United States will be the best place in the world to manufacture and to attract foreign direct investment.

[1] 2011 Structural Cost Study, The Manufacturing Institute and the Manufacturers Alliance for Productivity and Innovation (MAPI).
[2] Click here to access text of document.

- The United States will expand access to global markets to enable manufacturers to reach the 95 percent of consumers who live outside our borders.
- Manufacturers in the United States will have the workforce that the 21st-century economy requires.
- Manufacturers in the United States will be the world's leading innovators.

Achieving these goals requires bold action on the part of policymakers, and the NAM's plan outlines a number of policies that would help manufacturers compete.

Pro-Manufacturing Tax Reforms

The United States is no longer the dominant global player it was in the 1960s and 1970s. American manufacturers today operate in a fiercely competitive global marketplace. A pro-manufacturing tax system is critical to their ability to compete. Our nation's high tax rates, worldwide tax system and unpredictable and less competitive R&D incentives pose significant burdens on U.S. manufacturers.

The NAM's plan calls for a reduction in the corporate tax rate to 25 percent or lower. Today, the federal corporate tax rate in the United States is the highest among major economies. Other nations—including most recently Japan—have reduced their corporate tax rates to encourage the entry of new businesses and the growth of existing firms. Canada, for example, has enacted a series of rate cuts in recent years and is set to reduce its rate even further, to 15 percent at the beginning of next year.

Lowering the corporate tax rate is only part of the solution. More than two-thirds of manufacturers are organized as "S" corporations or other "flow-through" entities and pay income taxes at individual rates. Lower individual tax rates in effect through 2012 have played an important role in helping these companies survive challenging economic times and retain and create jobs. It is critical to smaller manufacturers that lower individual tax rates are extended and made permanent to create the certainty needed for long-term planning and to free up resources needed for capital investments and jobs.

Investment abroad by U.S. companies generates U.S. exports and supports jobs in the United States. Despite the benefits to the U.S. economy of having American companies expand beyond our shores, U.S. tax laws make it more difficult for U.S. worldwide companies to thrive and compete in the global marketplace. Most OECD countries impose little or no tax on the income their resident companies earn from active businesses in other countries. In contrast, the United States has a worldwide system that taxes income regardless of where it is earned.

As a result, U.S. multinationals generally have a higher tax burden than non-U.S. multinationals—a significant disadvantage when U.S. companies are competing against non-U.S. multinationals and local firms for business in a global marketplace. If U.S. companies cannot compete abroad, where 95 percent of the world's consumers are located, the U.S. economy will suffer from both the loss of foreign markets and domestic jobs that support foreign operations. In order to make U.S. worldwide companies more competitive, the NAM supports moving to a territorial tax system similar to systems in most industrial countries, structured to enhance U.S. competitiveness, not to raise additional revenue.

Innovation also is important to competitiveness, and the R&D credit—first enacted 30 years ago—is a proven incentive for spurring private sector investment in R&D and domestic, high wage, R&D jobs. Unfortunately, the credit, which is used by small and large companies, expired for the 15th time at the end of 2011 and has not been renewed. The uncertainty of an on-again, off-again credit influences companies' future R&D budgets, particularly when manufacturers are courted by other countries with more generous and permanent R&D tax incentives and lower corporate tax rates.

Given the critical role of the R&D credit in spurring innovation, one of the NAM's top tax priorities is a strengthened, permanent R&D tax credit to make the United States a more attractive place to perform research. The R&D credit also is a jobs credit: 70 percent of credit dollars are used for salaries of high-skilled R&D workers. A strengthened and permanent R&D tax credit will help drive innovation in this country.

A Progressive International Trade Policy

Even though the United States remains the world's largest manufacturer, producing one in every five dollars of all manufactured goods in the world, we are steadily losing ground in world markets. Manufacturers need a trade policy that will strengthen manufacturing in America, improve our competitiveness and stimulate job creation at home. These objectives can best be achieved by limiting costs and other impediments imposed on U.S. manufacturers, opening foreign markets to our products, leveling the playing field for American exporters in terms of exporter support, and supporting effective and enforceable compliance to transparent rules of fair competition.

More than one in every five manufacturing jobs currently is dependent on exports, and increasing exports is key to U.S. job creation. The domestic market is not growing rapidly enough to generate the rate of job growth we all want, and that faster job growth depends upon increased exports to the more rapidly-growing markets overseas, particularly in Latin America and Asia.

Ten years ago, the United States had more than a 13 percent share of world exports of manufactured goods. Last year, the U.S. share was only 9 percent. If our share of world exports of manufactured goods had stayed at the 2000 level, our exports of manufactured goods last year would have been $560 billion larger, and we would have eradicated our manufactured goods deficit.

The Administration's goal of doubling exports by the end of 2014 is a good starting place, and we need effective policies and programs to achieve that goal. The NAM laid out a detailed plan for how the goal could be accomplished in our "Blueprint for Doubling Exports",[3] which includes the major elements of a progressive trade policy for the United States.

The most important element of a progressive trade policy is a strategy that embraces market-opening bilateral and regional trade agreements. As our competitors race to negotiate barrier-reducing agreements for their companies, U.S. manufacturers are falling further and further behind in their ability to secure markets. Key to implementing that strategy is for Congress to provide the President with trade promotion authority

[3] http://www.nam.org/nei

(TPA). Our negotiating partners need the assurance that what is agreed to at the negotiating table will be what Congress is asked to approve.

Many policymakers oppose trade agreements in the mistaken belief that these agreements are the cause of U.S. manufacturing job losses. The opposite is true. Trade agreements have never been a major factor in our manufactured goods deficit, and over the past four years we have had a cumulative manufactured goods *trade surplus* of $120 billion with our trade agreement partners. During that same period, our manufactured goods trade deficit with countries without trade agreements with us cumulated to $1.8 trillion.

Congress took a critical first step last year in passing the trade agreements with Colombia, Korea and Panama. It is estimated that these agreements will generate $13 billion in new exports and support 100,000 jobs. But much more needs to be done. Of the 220 trade agreements in the world, the United States is a party to only 12. Those 12 agreements are with countries that account for only 12.5 percent of global GDP outside the United States. We currently lack trade agreements with countries accounting for 87.5 percent of global GDP outside the United States. We clearly need to pick up the pace.

We are very pleased that President Obama just announced the U.S.-Colombia trade agreement that was negotiated six years ago will go into effect May 15, raising the number of our agreements to 13. Colombia is the third-largest economy in South America, and its tariffs have raised the prices of U.S. exports there by 15 percent. Almost all of those duties will be eliminated on May 15, which is really good news for U.S. manufacturers.

But we need much more. We need to complete the Trans-Pacific Partnership, and set our sights on agreements with commercially significant markets such as Brazil, India, the European Union and others. The United States also needs to keep pressing for meaningful multilateral agreements in the World Trade Organization (WTO), but we must not let that delay us from obtaining the quicker and deeper liberalization that bilateral and regional agreements provide.

In order to increase U.S. exports, it also is imperative that we modernize our outmoded export control system, which severely hampers the export of products that should no longer be controlled and does not provide effective protection of our security. The Administration has been very supportive of our efforts, and we strongly urge Congress to act on the major changes needed. A study sponsored by the NAM concluded that we lose some $60 billion of exports annually because of the existing export control system.

We also need to provide U.S. exporters with the kind of support received by companies in other developed countries. The Department of Commerce's export assistance programs are underfunded and pale in comparison to assistance provided by other countries.

Currently we are at a crisis point with one of the most important export promotion programs the United States has—the Export-Import Bank (Ex-Im). Its authorization runs out at the end of this month, and it will hit its $100 billion lending ceiling before then—leaving America's exporters defenseless against the much larger official credit programs operated by our competitors. If the United States were to unilaterally disarm in this competitive world, our capital goods exporters and the 85 percent of the Bank's customers that are small and medium-sized firms would immediately lose export customers and several hundred thousand manufacturing jobs would evaporate. Congress needs to extend the Bank and do so on an urgent basis.

The Ex-Im Bank is not a corporate welfare program and does not provide a subsidy. It earns money for the taxpayer while boosting exports and jobs. It is win-win, and it needs to be reauthorized immediately.

Additionally, non-tariff barriers need to be dealt with more effectively. Arbitrary standards, duplicative testing and certification rules, restrictions not based on risk or scientific evidence, and other barriers need to be addressed in our bilateral agreements and in a more forward-looking WTO. Strong intellectual property protection must also be part of our trade strategy. Innovation, product uniqueness, cutting-edge design and other products of U.S. innovation make us competitive, and this intellectual property must be protected. Better enforcement of existing agreements and stronger forms of cooperation to root out counterfeiters and intellectual property pirates are essential.

All nations need to be held accountable for their obligations under international trade rules, and the United States needs to take effective steps when needed against unfair trade practices under the dispute settlement procedures available to us. We need to ensure that we get what we bargained for in the WTO and in bilateral agreements, and we must also ensure that the effectiveness of our laws against unfair trade practices is not diminished.

The issues outlined above are key components of an effective trade strategy. We also encourage the committee to look carefully at the NAM's "Blueprint for Doubling Exports" for additional information.

A Comprehensive Energy Strategy

Affordable and reliable energy also is essential to manufacturers, the prosperity of American workers and our nation's overall economy. The manufacturing sector uses more than one-third of the energy consumed in the United States, and even more when product transportation is factored into the equation. Energy is indeed the lifeblood of manufacturing—manufacturers convert fuels to different forms of energy to manufacture all the products of daily life and the intermediates from which those products are made. However, a number of regulations including greenhouse gas (GHG) regulations, ozone air quality standards, Utility MACT, the Cross State Air Pollution Rule and the New Source Performance Standards for coal-fueled power plants will increase the cost of energy for manufacturing. This will decrease manufacturers' ability to retain jobs and to remain globally competitive.

A comprehensive energy strategy is essential to the long-term economic health of the United States, and we urge Congress to craft a concise, comprehensive and thoughtful plan that addresses the energy needs of this country for the next 30 to 40 years.

It is critical that any comprehensive plan expand access to our nation's domestic energy supply in order to meet current needs for affordable energy. Manufacturers support an energy strategy that embraces all forms of domestic energy production while expanding existing conservation and efficiency efforts. Manufacturers and consumers will continue to rely upon all sources of fuel and energy for decades to come.

Oil, natural gas and clean coal remain essential contributors to America's energy security. The U.S. nuclear energy industry is in the process of building four new power plants and is well-positioned to expand its critical role in providing safe, affordable and reliable power. Alternative fuels and renewable energy sources like wind energy and solar power will continue to play a significant role in our energy mix in the future. Therefore, more of our energy needs to come from domestic sources, and the NAM believes it would be unwise to exclude any form of energy from our energy strategy. In addition to domestic sources, we are fortunate to have access to Canadian oil that can provide us with a reliable and affordable supply of energy. However, if we don't build the Keystone XL pipeline, we will not be able to take advantage of this important source of energy.

One example of a domestic source of energy that needs to be continuously explored and developed is the oil and gas in the Outer Continental Shelf (OCS). We thank the Administration for its commitment to advancing the permitting process for offshore drilling. However, the permitting process is slow and at times confusing. Permits need to be issued for manufacturers to continue to return to the OCS and to begin to safely explore and drill again. Not only will this provide a reliable and affordable source of energy for manufacturing, it will also generate jobs and revenues. Another example of a domestic source of energy is shale gas and shale oil. Shale-based energy has the potential to change the energy landscape and provide us with greater energy independence. Much of the shale oil is on public lands, and it is important that the permitting process be efficient and streamlined. Shale gas is primarily found on private and state lands. The states do a great job of regulating these activities, and the federal government should not attempt to usurp the role of the states. These activities will provide a reliable supply of energy and will create millions of jobs.

National energy policies should also rely on the marketplace and its proven ability to meet the nation's energy needs. The NAM is opposed to the imposition of taxes levied on particular sectors of the economy. The ramifications of singling out energy or any other particular sector for tax increases would introduce a series of distortions in the economy.

Beyond these domestic sources of energy, manufacturers are doing their part in innovation and energy efficiency. There is no sector of the economy more supportive of energy efficiency than manufacturing. No segment of American society has as much to gain from efficiency and waste reduction measures as the manufacturing sector and the consumers they serve. In fact, over the past 30 years, the energy efficiency of U.S. industry has improved remarkably. Energy intensity, the amount of energy it takes to produce one dollar of goods, has been cut in half, from 9.13 thousand Btu in 1970 to 4.32 thousand in 2003. Roughly half of the reduction in energy intensity can be attributed to energy efficiency improvements—using less energy to do the same amount of work.

A Pro-Growth Regulatory Environment

It's also more expensive to manufacture in the United States because of complex, costly and burdensome regulations. The burden of regulation falls disproportionately on manufacturers, particularly on small manufacturers because compliance costs typically are not affected by economies of scale.

The NAM's strategy calls on Congress and the President to roll back regulations that impose unnecessary costs and undermine employer flexibility, like the onslaught of rules and orders from the National Labor Relations Board (NLRB). In recent months, the NLRB has undertaken an aggressive agenda including proposed rules that would change union election procedures and shorten the period between the time an employer learns a union is trying to organize and the election.

As part of their effort to rein in overregulation, policymakers should reform the design of our regulatory system to produce a more competitive economy. Several institutions in government already are dedicated to analyzing the impacts of regulation on the economy and the public; these institutions should be strengthened and given additional resources.

The Office of Information and Regulatory Affairs (OIRA) at the Office of Management and Budget (OMB) is the central clearinghouse for significant rulemaking by non-independent agencies. Despite its critical function, OIRA has shrunk as the rest of the federal government has grown in size and scope, with the number of employees at OIRA dropping from 90 to 50 and the federal government staff dedicated to writing, administering and enforcing regulations increasing from 146,000 to 242,000.

Within the Department of Commerce, the Office of Industry Analysis assesses the cost competitiveness of American industry and the impact of proposed regulations on economic growth and job creation. Unfortunately, there is an ongoing attempt to redirect the efforts of this office and undermine its ability to participate effectively in a competitiveness review of regulation at a time the role of this office should be strengthened.

The Small Business Administration's (SBA) Office of Advocacy helps federal agencies implement the Regulatory Flexibility Act (RFA) and its amendments. The RFA requires agencies to consider the needs of small businesses when drafting regulations. Currently, under the RFA, only a small number of regulations require this analysis because "indirect effects" cannot be considered and the small business panel process only applies to three agencies. In the past, this process has saved billions of dollars in reduced regulatory costs for small businesses. The House of Representatives passed H.R. 527, the Regulatory Flexibility Improvements Act, which would close loopholes agencies use to avoid provisions of the RFA that reduce the cost of regulations on small businesses. The NAM supported H.R 527 and believes it can be the basis for strong, bipartisan reforms of the system.

While Congress plays an important role in the regulatory process, it does not have specifically accountable staff designated to develop cost estimates of all proposed or final regulations. A congressional office for regulatory analysis under the Congressional Budget Office or some similar institution could result in a more thoughtful analysis of the regulatory authority granted by Congress, provide Congress with better tools to analyze agency regulations and allow Congress to engage in some more holistic reviews of overlapping and duplicative statutory mandates that have accumulated over the years.

In addition, Congress should confirm the President's authority over independent regulatory agencies. Consistency across the government in regulatory procedures and analysis would only improve certainty and transparency of the process. The President's Council on Jobs and Competitiveness recently echoed this recommendation and stated that improved analysis by independent regulatory agencies would result in improved regulations.

Manufacturers firmly believe that the President's effort to review old, outdated regulations should be made permanent. The best incentive for high-quality retrospective reviews of existing regulation is to automatically sunset those rules that are not affirmatively chosen to be continued. The federal government imposes on the public more than 9.9 billion hours of paperwork burden annually, and this burden continues to grow. Although a large number, this underestimates the total time spent on compliance. Despite some successful efforts to limit these burdens, they will never be substantially reduced without sunsetting the underlying regulatory requirements. Congress has considered sunsets and retrospective reviews in the past, and we support common-sense regulatory reform that forces agencies to modernize or eliminate outdated rules.

Another step in regulatory reform is to update the 65-year-old Administrative Procedure Act (APA). Specifically, the NAM recommends that Congress incorporate the principles and procedures of President Obama's Executive Order 13563 and President Clinton's Executive Order 12866 into the APA to create greater certainty and improve regulatory outcomes. Since the APA applies to all agencies, including independent regulatory agencies, this is another way to ensure more uniform accountability across the government. The House has passed H.R. 3010, the Regulatory Accountability Act of 2011. The bill is a bipartisan comprehensive regulatory reform that would improve federal policies by using sound regulatory principles, ensuring rules are supported by strong and credible evidence and inflicting the least burden possible while still achieving congressional intent. The NAM supports H.R. 3010 and its bipartisan Senate companion, S. 1606.

A 21st-Century Infrastructure

As the world's largest manufacturing economy, the United States also requires long-term investments in transportation and a comprehensive 21st-century infrastructure strategy to help ensure our future competitiveness in international markets. Competitors in Asia, Europe and South America continue to ramp up investments in all types of infrastructure while we struggle to maintain crumbling highways, obsolete bridges, aging public transit, overstressed water and wastewater systems and outdated air traffic control technology.

While our nation faces many fiscal challenges, making key investments in infrastructure should not be delayed. Manufacturers rely on a productive system of roads, rails, ports, inland waterways and airports for receiving raw materials and shipping finished products to customers throughout the United States and the world. The nation loses 4.8 billion hours of extra time a year due to traffic tie-ups, and traffic congestion costs Americans $115 billion a year in wasted time and fuel.

The needs of the system are enormous, and Congress must pass a fully funded, multi-year surface transportation authorization soon. The current authorization expired over two-and-a-half years ago, and short-term extensions do not pave the way for key reforms that will help prioritize funding, welcome private infrastructure investment, streamline environmental permitting decisions and reduce redundant state and federal regulations that act as barriers to the development of our nation's infrastructure.

A Skilled Workforce

The NAM's strategy also highlights the shortage of skilled workers in this country. The plan calls for investment in science, technology, engineering and math (STEM) skills and education so that the workforce will have the skills that meet the needs of 21st-century manufacturing.

According to employers, one of the key issues for manufacturers is the need for a skilled workforce. A report issued last October by Deloitte identified 600,000 jobs that cannot be filled because there are not people with the skills to fill them. The Manufacturing Institute's Skills Certification System has identified the nationally-portable industry recognized certifications that meet these needs for manufacturing and is working with community colleges across the country to align their curriculum to those certifications, but more can be done.

We need to focus the existing federal workforce training system on the skills that have been identified by private-sector employers as in-demand. By prioritizing these resources, we are helping workers develop the skills they need to attain a job and employers hire people with the right skills.

We also need to look at existing federal workforce training opportunities that often do not address the skills that are in demand by employers. Programs such as the Workforce Investment Act need to be focused toward a goal of training workers to credentials that are in demand in the private sector. That is why the NAM supports HR 1325, the America Works Act, which would provide this prioritization.

Cybersecurity and Data Privacy

As an innovative industry, manufacturers are entrusted with vast amounts of data through their comprehensive and connected relationships with customers, vendors, suppliers and governments. They hold the responsibility for securing these data, the networks on which they run and the facilities and machinery they control at the highest priority level. NAM members fully recognize that the economic security of the United States is directly related to our cybersecurity.

Consequently, the NAM supports the government sharing timely and actionable threat and vulnerability information with the private sector. We also support the creation of a voluntary framework that allows companies to share information with the government and with each other without creating new liabilities.

NAM member companies also believe that allowing the private sector to continue developing appropriate general and industry-specific best practices in collaboration with the federal government is the best way to ensure innovation while addressing the evolving threats to our nation's security. In contrast, mandates on the use of specific technologies or standards and imposing a prescriptive regulatory framework would unduly inhibit innovation.

The NAM and all manufacturers remain intensely committed to working with Congress to secure our cyber infrastructure from harm. We look forward to working with you, Madam Chairwoman, on your SECURE IT Act, which addresses the concerns of manufacturers outlined above and to help ensure that any legislation that moves forward mitigates the cyber threat facing our nation.

Similarly, the NAM supports manufacturers' efforts to safeguard data that is entrusted to them. Manufacturers recognize that respecting privacy builds consumer confidence. The manufacturing industry's best practices in the proper handling of data are therefore constantly adapting and evolving to address new threats. Unfortunately, when the government mandates the use of specific tools or technologies, they can become quickly outdated, thereby stalling innovation.

The NAM works to ensure that the manufacturing industry's best practices and market-based solutions are used to protect data, the sensitivity of the information handled and the purposes for which it will be used to drive privacy and security policies, and government agencies and private organizations are held to the same standards as industry.

We thank you for your leadership on this issue Madam Chairwoman, specifically your efforts on the Secure and Fortify Electronic (SAFE) Data Act. We look forward to working with you on this issue when it is considered by the full Committee.

Conclusion

After the deepest recession in seven decades, America's economy is beginning to recover, striding the long way back toward expansion and employment. Manufacturers are proud to be leading the way. Indeed, now is American manufacturing's moment and we cannot take these recent improvements for granted. If we are to set a path for sustained economic growth, job creation and long-term competitiveness, policymakers must embrace a comprehensive strategy. As outlined above, more can and must be done to make the U.S. manufacturing sector more competitive, more productive and better able to create even more high-paying jobs.

The policy objectives in the NAM's *Manufacturing Renaissance*—pro-competitiveness tax rules, a 21st-century trade policy, a viable and globally competitive domestic energy industry, common-sense regulatory reform, critical infrastructure improvements and a skilled workforce that is able to understand new technologies and manufacturing processes—will go a long way to creating a climate that is more suited to the global competitiveness challenges that manufacturers face.

Thank you for the opportunity to share our views on the opportunities and challenges facing manufacturers in the United States. As the pre-eminent U.S. manufacturers' association and the nation's largest industrial trade association, representing small and large manufacturers in every industrial sector and in all 50 states, the NAM is committed to working with you to advance legislation that will allow manufacturers in the United States to create jobs and compete effectively in the global marketplace.

Supplemental Sheet

House Energy and Commerce Committee Subcommittee on Commerce, Manufacturing and Trade
hearing on “Where the Jobs Are: Can American Manufacturing Thrive Again?

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